

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0364-01
Bill No.: HB 262
Subject: Education, Elementary and Secondary; Saint Louis
Type: Original
Date: January 31, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$0	(\$527,188 to \$741,410)	(\$532,460 to \$748,824)
Total Estimated Net Effect on General Revenue Fund*	\$0	(\$527,188 to \$741,410)	(\$532,460 to \$748,824)

*This amount could be offset partially by a decrease in school attendance, resulting in reduced state aid

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
St Louis Public Schools*	UNKNOWN	UNKNOWN	UNKNOWN

*Expected to exceed \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - Division of Youth Services (DYS)** stated that in FY 00, 55 youth under the age of 16 were committed to DYS for truancy. According to Kids Count Missouri, the annual high school dropout rate for the 1998-99 school year was 4.8%, or approximately 12,457 dropouts. According to the 1999 Juvenile Court Statistics Report, there were 6,056 referrals for truancy made to the juvenile courts involving youth under the age of 16 years. Based on state averages, it is estimated that St Louis City had 566 court referrals for truancy. If St. Louis City adopts a resolution to increase compulsory school attendance to age 17, DYS estimates 17 - 24 additional youth under age 17 could be committed annually to DYS from the area. DYS expects to be able to absorb this increase within the existing budget.

Oversight reviewed the MODESE Annual Report of School Data and the number of high school dropouts in St Louis City for the year 2002 was 847 (7.8%), compared with a state dropout rate of 3.8%. Based on that data, the estimate of number of youth that might be committed annually to DYS could be somewhat higher than original estimates, but **Oversight** assumes the increase could still be absorbed.

Officials from the **Department of Social Services - Division of Family Services (DFS)**

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indicated that requiring children to attend school until age 17 would result in additional children
ASSUMPTION (continued)

being reported to the Child Abuse/Neglect (CA/N) Hotline for education neglect since a parent's failure to send a child to school is a reportable condition; however, DFS anticipates the financial impact to the agency of additional calls and followup can be absorbed with existing resources.

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated that a cost estimate could not be determined for this proposal. More students may stay in school, thus raising the district's average daily attendance which would general more basic state aid to the district; however, there is no way to determine number of 17-year-old students staying in school that would have otherwise dropped out. Even if they stay in school, attendance may be poor which could offset an increase in basic state aid to the district.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 6 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$369 for FY 2004. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **St Louis Public Schools** estimate the initial number of students impacted by this legislation would be 150 and could increase to 500 students. The projected state payments, based on 150 for school years 2004-2005 and 2005-2006, are as follows:

	<u>2004-2005</u>	<u>2005-2006</u>
150 Students Without At Risk	\$527,188	\$532,460
150 Students With At Risk	\$741,410	\$748,824

Oversight assumes there would be no cost until FY 2005 since the resolution to establish

compulsory attendance shall take effect no earlier than the school year next following the school year during which the resolution is adopted.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE

<u>Cost</u> - Increased transfers to State School Moneys Fund	\$0	(\$527,188 to \$741,410)	(\$532,460 to \$748,824)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	<u>\$0</u>	<u>(\$527,188 to \$741,410)</u>	<u>(\$532,460 to \$748,824)</u>
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STATE SCHOOL MONEYS FUND

<u>Income</u> - Increased transfers from General Revenue Fund	\$0	\$527,188 to \$741,410	\$532,460 to \$748,824)
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<u>Cost</u> - Increased distributions to St Louis Public School District	<u>\$0</u>	(\$527,188 to <u>\$741,410)</u>	(\$532,460 to <u>\$848,824)</u>
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ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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SCHOOL DISTRICTS

<u>Income</u> - Increased State Aid to St Louis Public School District	\$0	\$527,188 to \$741,410	\$532,460 to \$748,824
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<u>Cost</u> - Decreased School Attendance*	<u>\$0</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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ESTIMATED NET EFFECT ON SCHOOL DISTRICTS**	<u>\$0</u>	<u>UNKNOWN</u>	<u>UNKNOWN</u>
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****Expected to Exceed \$100,000**

*** Increase in state aid attributed to additional students enrolled could be partially offset by decreased attendance.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

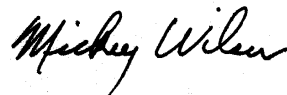
This proposal allows metropolitan school districts (the Board of St. Louis Public Schools) the power to raise the compulsory attendance age to seventeen, whereas in all other school districts the compulsory attendance age is sixteen. Such a resolution changing the compulsory attendance age can only take effect after the school year during which the resolution is passed. The act also allows school boards to raise the mandatory age for part-time attendance from fifteen to sixteen.

The proposal also exempts the parents of home school students above the age of sixteen in the city of St. Louis from the requirements that specify hours of instruction and maintaining certain records (i.e. written record, academic samples, evaluations). Also, the proposal allows home school educators of students over sixteen in the city of St. Louis to only supply a written statement that the pupil is attending home school as a defense against any prosecution for educational neglect or violation of the compulsory attendance law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State
 Administrative Rules Division
Department of Social Services
 Division of Youth Services
 Division of Family Services
St Louis Public Schools



Mickey Wilson, CPA
Director

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